

HOUSE BILL 3400

By Ragan

AN ACT to amend Tennessee Code Annotated, Title 13, to  
enact the "Tennessee Local Land Bank Pilot  
Program".

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and may be cited as the "Tennessee Local Land Bank Pilot Program".

SECTION 2. The legislature finds and declares as follows:

(1) Tennessee's communities are important to the social and economic vitality of the state. Whether urban, suburban or rural, many communities are struggling to cope with vacant, abandoned and tax-delinquent properties.

(2) There exists a crisis in many cities and their metropolitan areas caused by disinvestment in real property and resulting in a significant amount of vacant and abandoned property. This condition of vacant and abandoned property represents lost revenue to local governments and large costs associated with demolition, safety hazards and spreading deterioration of neighborhoods including resulting mortgage foreclosures.

(3) The need exists to strengthen and revitalize the economy of the state and its local units of government by solving the problems of vacant and abandoned property in a coordinated manner and to foster the development of such property and promote economic growth. Such problems may include multiple taxing jurisdictions lacking common policies, ineffective property inspection, codes enforcement and property rehabilitation support, lengthy or inadequate foreclosure proceedings, and lack of coordination and resources to support economic revitalization.

(4) There is an overriding public need to confront the problems caused by vacant, abandoned and tax-delinquent properties through the creation of new tools to be

available to communities throughout the state enabling them to turn vacant spaces into vibrant places.

(5) Land banks are one of the tools that can be utilized by communities to facilitate the return of vacant, abandoned and tax-delinquent properties to productive use.

(6) In the interest of self-governance on the part of Tennessee's cities, a pilot program in specific areas is a proper tool as a testing model of a self-governing, self-sustaining land bank that can revitalize Tennessee cities and counties.

### SECTION 3.

(a) The comptroller of the treasury is directed to study the creation and use of land banks which have been implemented in various parts of the country to determine the extent that land banks could be utilized within Tennessee initially as a pilot program. The focus of the study should be on establishing land banks to acquire property and create incentives for development of property acquired by the land bank without violating Article II, Section 28 of the Constitution of Tennessee and § 29-17-102(2). In addition, the comptroller is requested to determine which areas of the state would be more appropriate to implement the pilot program in.

(b) The comptroller shall present the results of the study to the general assembly no later than February 15, 2013, together with recommendations for legislative changes necessary for local communities to create land banks.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring

it.